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March 19, 2004 LB 616, 1047, 1091

SENATOR CUDABACK: Thank you, Senator Chambers. (Visitors introduced.) It is 11:00. As the agenda states, General File, special order. Mr. Clerk, first item.

CLERK: Mr. President, LB 1047, introduced by the Banking, Commerce, and Insurance Committee. (Read title.) The bill was introduced on January 13, referred to the Banking, Commerce, and Insurance Committee for public hearing, advanced to General File. I do have committee amendments, Mr. President. (AM2298, Legislative Journal page 423.)

SENATOR CUDABACK: Thank you, Mr. Clerk. Senator Quandahl, as Chairman of the Banking, Commerce, and Insurance Committee, you're recognized to open on LB 1047.

SENATOR QUANDAH: Thank you, Mr. President and members of the body. I'm here to introduce to you LB 1047, which has been specially ordered for today. Just to give you a little bit of background, or a road map of where I intend to go this morning, first I want to assure everybody that I don't intend on taking a whole lot of time in...of the body this morning. I first want to explain the green copy of LB 1047, and then our committee amendment. Senator Redfield currently has an amendment pending to the bill, LB 616. And I do believe I did get a commitment out of her to withdraw that particular amendment. After that, finally I'll explain the amendment that probably has generated the most buzz about LB 1047, that being the amendment that deals with changing the domicile of a mutual insurance holding company from one state to the other. And so with that, let me explain what LB 1047 accomplishes. LB 1047 was introduced at the request of the Department of Insurance, and it amends various sections within the insurance statutes of the state of Nebraska. LB 1047 was the omnibus cleanup bill for 2004 for the Department of Insurance. Sections 1 through 5 and 14 would amend various sections in Chapter 44 to adopt the new National Association of Insurance Commissioners standard on minimum statutory interest rate guarantees for individual fixed annuity contracts. Briefly, Section 1 would require that a company shall obtain the approval of the director of insurance before a deferral of any cash surrender values. Section 3 would establish the minimum